

## **Procurement Notice**

PN 97-61 April 5, 2001

#### **SAFETY AND HEALTH (SHORT FORM)**

**PURPOSE:** To add a new Safety and Health (Short Form) clause which requires contractors to take all reasonable safety and occupational health measures in contracts above the micropurchase threshold; amend other existing safety and health clauses to make them consistent with the new NASA Safety and Health (Short Form) clause (1852.223-72); and add an Alternate I to 1852.223-73, Safety and Health Plan, to address submission of safety and health plans under Invitations for Bids (IFBs).

**BACKGROUND:** Emphasizing safety and occupational health can result in reductions in the number of incidents involving injury or death to personnel, and in a reduction in lost or restricted workdays. These reductions enhance the probability of mission success by decreasing development time, cycle times, operational delays and costs. Since NASA contracts account for approximately 80 percent of its budget, NASA recognizes that for it to achieve mission success, it is critically important that NASA contractors also emphasize safety and occupational health. While the existing NASA Safety and Health clause (1852.223-70) applies to many high dollar value and high-risk contracts, NASA has many more contracts that it does not apply to that are also critical to the agency achieving its mission. This PN implements a Safety and Health (Short Form) clause to address safety and occupational health in all of its contracts above the micropurchase threshold where 1852.223-70 does not apply. This clause will hold contractors accountable for the safety and occupational health measures consistent with standard industry practice in performing the contract. It also defines NASA's safety priority to protect: (1) the public, (2) astronauts and pilots, (3) the NASA workforce, and (4) high-value equipment and property. This will help lead to mission success for NASA and its contractors. Additionally, this PN amends the NASA Safety and Health clause (1852.223-70), the Safety and Health Plan clause (1852.223-73), and the Major Breach of Safety or Security clause (1852.223-75) to make them consistent with the new NASA Safety and Health (Short Form) clause (1852.223-72) by adding the safety priority; and adds an Alternate I to 1852.223-73, Safety and Health Plan, to address submission of safety and health plans under IFBs.

**REGULATION:** Changes are made in Parts 1812, 1823, and 1852 as set forth in the enclosed replacement pages.

**DO NOT FILE UNTIL MAY 7, 2001** 

**REPLACEMENT PAGES:** You may use the enclosed pages to replace 12:1, 12:2, 23:3, 52:1, 52:2, 52:27, 52:28, 52:29, 52:30, 52:30.1, 52:30.2, 52:30.3, 52:30.4 (added), 52-93, and 52-94 of the NFS.

**REGULATORY COMPLIANCE:** This PN was published as an interim rule in the Federal Register (65 FR 18051-18053, April 5, 2001).

*EFFECTIVE DATE:* This PN is effective on May 7, 2001, and shall remain in effect until canceled or superseded.

CANCELLATION: This PN cancels PIC 00-14.

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Enclosures

DISTRIBUTION: NFS List

## PART 1812 ACQUISITION OF COMMERCIAL ITEMS

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## PART 1812 ACQUISITION OF COMMERCIAL ITEMS

### Subpart 1812.1--Acquisition of Commercial Items--General

### 1812.102 Applicability.

(c) For the acquisition of commercial items of any value, the MidRange procedures described in NFS part 1871 may be used to the extent they are consistent and compliant with FAR part 12 and NFS part 1812. Unless specifically stated, in any conflict between these parts the descending order of precedence is FAR part 12, part 1812, and part 1871.

## Subpart 1812.3--Solicitation Provisions and Contract Clauses for the Acquisition of Commercial Items

### 1812.301 Solicitation provisions and contract clauses for the acquisition of commercial items.

- (f)(i) The following clauses are authorized for use in acquisitions of commercial items when required by the clause prescription:
  - (A) 1852.204-74, Central Contractor Registration.
  - (B) 1852.214-71, Grouping for Aggregate Award.
  - (C) 1852.214-72, Full Quantities.
  - (**D**) 1852.215-84, Ombudsman.

- (E) 1852.219-75, Small Business Subcontracting Reporting.
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- (G) 1852.223-70, Safety and Health.
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- (II) 1852.223-72, Safety and Health (Short Form).
- (**JJ**) 1852.223-73, Safety and Health Plan.
- (KK) 1852.223-75, Major Breach of Safety and Security.
- (LL) 1852.228-72, Cross-Waiver of Liability for Space Shuttle Services.
- (MM)1852.228-76, Cross-Waiver of Liability for Space Station Activities.
- (NN)1852.228-78, Cross-Waiver of Liability for NASA Expendable Launch Vehicles.
- (OO)1852.246-72, Material Inspection and Receiving Report.
- (ii) No other provisions and clauses prescribed in the NFS or center documents shall be used in acquisitions of commercial items, except as permitted by FAR 12.302.

## 1812.302 Tailoring of provisions and clauses for the acquisition of commercial items.

(c) The Associate Administrator for Procurement (Code HS) is the approval authority for waivers. Requests shall be prepared and submitted in accordance with 1801.471.

## Subpart 1812.4--Unique Requirements Regarding Terms and Conditions for Commercial Items

#### 1812.404 Warranties.

(b) In acquisitions under the Simplified Acquisition Threshold specified in FAR Part 13, no express warranty should be required other than the offeror's commercial warranty.

### **Subpart 1812.70 -- Commercial Space Hardware or Services**

## 1812.7000 Prohibition on guaranteed customer bases for new commercial space hardware or services.

Public Law 102-139, title III, Section 2459d, prohibits NASA from awarding a contract with an expected duration of more than one year if the primary effect of the contract is to provide a guaranteed customer base for, or establish an anchor tenancy in, new commercial space hardware or services. Exception to this prohibition may be authorized only by an appropriations Act specifically providing otherwise.

### 1823.7001 NASA solicitation provisions and contract clauses.

- (a) Except as provided in paragraph (b) of this section, the clause at 1852.223-70, Safety and Health, shall be included in all solicitations and contracts for --
  - (1) Negotiated acquisitions of \$1,000,000 or more;
  - (2) Construction, repair, or alteration in excess of the simplified acquisition threshold;
- (3) Acquisitions having, within their total requirement, construction, repair, or alteration tasks in excess of the simplified acquisition threshold; and
  - (4) Acquisitions regardless of dollar amount when --
    - (i) Any deliverable contract end item is of a hazardous nature; or
- (ii) It can reasonably be expected that hazards will be generated and controlled within the operational environment during the life of the contract and the contracting officer determines that they warrant inclusion of the clause.
  - (b) The clause prescribed in paragraph (a) of this section may be excluded --
- (1) From any contract subject to the Walsh-Healey Public Contracts Act (see FAR Subpart 22.6) or the Service Contract Act of 1965 (see FAR Subpart 22.10) in which the application of either act and its implementing regulations constitute adequate safety and occupational health protection; and
- (2) When the contracting officer, with the approval of the installation official(s) responsible for matters of safety and occupational health, makes a written determination that the clause is not necessary under the circumstances of the acquisition.
- (c) The contracting officer shall insert the provision at 1852.223-73, Safety and Health Plan, in solicitations containing the clause at 1852.223-70. This clause may be modified to identify specific information that is to be included in the plan. After receiving the concurrence of the center safety and occupational health official(s), the contracting officer shall include the plan in any resulting contract.
- (d) The contracting officer shall insert the clause at 1852.223-75, Major Breach of Safety or Security, in all solicitations and contracts with estimated values of \$500,000 or more, unless waived at a level above the contracting officer with the concurrence of the project manager and the installation official(s) responsible for matters of security, export control, safety, and occupational health. For other contracts, use of the clause is optional.
- (e) For all <u>solicitations solicitations</u> and contracts exceeding the micro-purchase threshold that do not include the <u>clause clause</u> at 1852.223-70, Safety and Health, the contracting officer shall insert the clause at 1852.223-72, Safety and Health (Short Form).

## **Subpart 1823.71--Frequency Authorization**

#### 1823.7101 Contract clause.

The contracting officer shall insert the clause at 1852.223-71, Frequency Authorization, in solicitations and contracts calling for developing, producing, constructing, testing, or operating a device for which a radio frequency authorization is required.

#### **1823.7102 Procedures.**

The contracting officer shall obtain the necessary frequency authorization and other procedural details from the installation's spectrum manager.

## PART 1852 SOLICITATION PROVISIONS AND CONTRACT CLAUSES

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- (c) The contractor hereby agrees to assist NASA in achieving this goal by using its best efforts to award subcontracts to such entities to the fullest extent consistent with efficient contract performance.
- (d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as small disadvantaged business concerns, Historically Black Colleges and Universities, minority institutions, and women-owned small business concerns.

### 1852.219-77 NASA Mentor-Protégé Program.

As prescribed in 1819.7219(a), insert the following clause:

## NASA MENTOR-PROTÉGÉ PROGRAM (MAY 1999)

- (a) Prime contractors, including certain small businesses, are encouraged to participate in the NASA Mentor-Protégé Program for the purpose of providing developmental assistance to eligible protégé entities to enhance their capabilities and increase their participation in NASA contracts.
- (b) The Program consists of:
- (1) Mentor firms, which are large prime contractors with at least one active subcontracting plan or eligible small businesses;
- (2) Protégés, which are subcontractors to the prime contractor, include small disadvantaged business concerns, women-owned small business concerns, Historically Black Colleges and Universities, and minority institutions meeting the qualifications specified in NASA FAR Supplement (NFS) 1819.7209.
- (3) Mentor-protégé agreements, approved by the NASA Office of Small and Disadvantaged Business Utilization (OSDBU);
- (4) In contracts with award fee incentives, potential for payment of additional fee for voluntary participation and successful performance in the Mentor-Protégé Program.
- (c) Mentor participation in the Program, described in NFS 1819.72, means providing technical, managerial and financial assistance to aid protégés in developing requisite high-tech expertise and business systems to compete for and successfully perform NASA contracts and subcontracts.
- (d) Contractors interested in participating in the program are encouraged to contact the NASA OSDBU, Washington, DC 20546, (202) 358-2088, for further information.

(End of clause)

### 1852.219-79 Mentor Requirements and Evaluation.

As prescribed in 1819.7219(b), insert the following clause:

## MENTOR REQUIREMENTS AND EVALUATION (MARCH 1999)

- (a) The purpose of the NASA Mentor-Protégé Program is for a NASA prime contractor to provide developmental assistance to certain subcontractors qualifying as protégés. Eligible protégés include small disadvantaged business concerns, women-owned small business concerns, Historically Black Colleges and Universities, and minority institutions meeting the qualifications specified in NASA FAR Supplement (NFS) 1819.7209.
- (b) NASA will evaluate the contractor's performance on the following factors. If this contract includes an award fee incentive, this assessment will be accomplished as part of the fee evaluation process.
- (1) Specific actions taken by the contractor, during the evaluation period, to increase the participation of protégés as subcontractors and suppliers;

- (2) Specific actions taken by the contractor during this evaluation period to develop the technical and corporate administrative expertise of a protégé as defined in the agreement;
  - (3) To what extent the protégé has met the developmental objectives in the agreement; and
- (4) To what extent the firm's participation in the Mentor-Protégé Program resulted in the protégé receiving competitive contract(s) and subcontract(s) from private firms and agencies other than the mentor.
- (c) Semi-annual reports shall be submitted by the mentor to the NASA Mentor-Protégé program manager, NASA Headquarters OSDBU, to include information as outlined in paragraph (b).
- (d) The mentor will notify the OSDBU and the contracting officer, in writing, at least 30 days in advance of the mentor firm's intent to voluntarily withdraw from the program or upon receipt of a protégé's notice to withdraw from the Program;
- (e) Mentor and protégé firms will submit a "lessons learned" evaluation to the NASA OSDBU at the conclusion of the contract. At the end of each year in the Mentor-Protégé Program, the mentor and protégé, as appropriate, will formally brief the NASA Mentor-Protégé program manager, the technical program manager, and the contracting officer during a formal program review regarding Program accomplishments as pertains to the approved agreement.
- (f) NASA may terminate mentor-protégé agreements for good cause and exclude mentor or protégé firms from participating in the NASA program. These actions shall be approved by the NASA OSDBU. NASA shall terminate an agreement by delivering to the contractor a Notice specifying the reason for termination and the effective date. Termination of an agreement does not constitute a termination of the subcontract between the mentor and the protégé. A plan for accomplishing the subcontract effort should the agreement be terminated shall be submitted with the agreement as required in NFS 1819.7213(h).

### **1852.223-70** Safety and Health.

As prescribed in 1823.7001(a), insert the following clause:

## SAFETY AND HEALTH (MAY-MAY 2001)

- (a)—)\_Safety is the freedom from those conditions that can cause death, injury, occupational illnessillness, damage to or loss of equipment or property, or damage to the environment. NASA's safety safety priority is to protect: (1) the public, (2) astronauts and pilots, (3) the NASA workforce (including including contractor employees working on NASA contracts), and (4) high-value equipment and propertyproperty.
- (bb) The Contractor shall take all reasonable safety and occupational health measures in performing this contract. The Contractor shall comply with all Federal, State, and local laws applicable to safety and occupational health and with the safety and occupational health standards, specifications, reporting requirements, and any other relevant requirements of this contract.
- (ec) The Contractor shall take, or cause to be taken, any other safety, and occupational health measures the Contracting Officer may reasonably direct. To the extent that the Contractor may be entitled to an equitable adjustment for those measures under the terms and conditions of this contract, the equitable adjustment shall be determined pursuant to the procedures of the changes clause of this contract; provided, that no adjustment shall be made under this Safety and Health clause for any change for which an equitable adjustment is expressly provided under any other clause of the contract.
- (dd) The Contractor shall immediately notify and promptly report to the Contracting Officer or a designee any accident, incident, or exposure resulting in fatality, lost-time occupational injury,

occupational disease, contamination of property beyond any stated acceptable limits set forth in the contract Schedule; or property loss of \$25,000 or more, or Close Call (a situation or occurrence with no injury, no damage or only minor damage (less than \$1,000) but possesses the potential to cause any type mishap, or any injury, damage, or negative mission impact) that may be of immediate interest to NASA, arising out of work performed under this contract. The Contractor is not required to include in any report an expression of opinion as to the fault or negligence of any employee. In addition, service contractors (excluding construction contracts) shall provide quarterly reports specifying lost-time frequency rate, number of lost-time injuries, exposure, and accident/incident dollar losses as specified in the contract Schedule.

- (ee) The Contractor shall investigate all work-related incidents, accidents, and Close Calls, to the extent necessary to determine their causes and furnish the Contracting Officer a report, in such form as the Contracting Officer may require, of the investigative findings and proposed or completed corrective actions.
- (ff)(1) The Contracting Officer may notify the Contractor in writing of any noncompliance with this clause and specify corrective actions to be taken. The Contractor shall promptly take and report any necessary corrective action.
- (22) If the Contractor fails or refuses to institute prompt corrective action in accordance with subparagraph subparagraph (f)(1) of this clause, the Contracting Officer may invoke the stop-work order clause in this contract or any other remedy available to the Government in the event of such failure or refusalrefusal.
- \_(g) The Contractor (or subcontractor or supplier) shall insert the substance of this clause, including including this paragraph (g) and any applicable Schedule provisions, with appropriate changes of designations designations of the parties, in subcontracts of every tier that –
- (4<u>1</u>) Amount to \$1,000,000 or more (unless the Contracting Officer makes a written <u>determination determination</u>, after consultation with installation safety and health representatives, that this is not <u>required required</u>);
  - (22) Require construction, repair, or alteration in excess of \$25,000; or
  - (33) Regardless of dollar amount, involve the use of hazardous materials or operations.
- (hh) Authorized Government representatives of the Contracting Officer shall have access to and the right to examine the sites or areas where work under this contract is being performed in order to determine the adequacy of the Contractor's safety and occupational health measures under this clause.
- (ii) The contractor shall continually update the safety and health plan when necessary. In particular, the Contractor shall furnish a list of all hazardous operations to be performed, and a list of other major or key operations required or planned in the performance of the contract, even though not deemed hazardous by the Contractor. NASA and the Contractor shall jointly decide which operations are to be considered hazardous, with NASA as the final authority. Before hazardous operations commence, the Contractor shall submit for NASA concurrence --
  - (1) Written hazardous operating procedures for all hazardous operations; and/or
  - (2) Qualification standards for personnel involved in hazardous operations.

(End of clause)

### 1852.223-71 Frequency Authorization.

As prescribed in 1823.7101, insert the following clause:

## FREQUENCY AUTHORIZATION (DECEMBER 1988)

(a) Authorization of radio frequencies required in support of this contract shall be obtained by the Contractor or subcontractor in need thereof.

- (b) For any experimental, developmental, or operational equipment for which the appropriate frequency allocation has not been made, the Contractor or subcontractor shall provide the technical operating characteristics of the proposed electromagnetic radiating device to the Contracting Officer during the initial planning, experimental, or developmental phase of contractual performance. Procedures furnished by the Contracting Officer shall be followed in obtaining radio frequency authorization.
- (c) This clause, including this paragraph (c), shall be included in all subcontracts that call for developing, producing, testing, or operating a device for which a radio frequency authorization is required.

### 1852.223-72 Safety Safety and Health (Short Form).

As prescribed in 1823 1823.7001(e), insert the following clause:

## SAFETY AND HEALTH (SHORT SHORT FORM) (MAY 20012001)

- (aa) Safety is the freedom from those conditions that can cause death, injury, occupational illnessillness; damage to or loss of equipment or property, or damage to the environment. NASA's safety safety priority is to protect: (1) the public, (2) astronauts and pilots, (3) the NASA workforce (including including contractor employees working on NASA contracts), and (4) high-value equipment and propertyproperty.
- (bb) The Contractor shall take all reasonable safety and occupational health measures consistent with with standard industry practice in performing this contract. The Contractor shall comply with all Federal Federal, State, and local laws applicable to safety and occupational health and with the safety and occupational health standards, specifications, reporting requirements, and any other relevant requirements requirements of this contract.
- (ec) The Contractor shall take, or cause to be taken, any other safety, and occupational health measuress the Contracting Officer may reasonably direct. To the extent that the Contractor may be entitled to an equitable adjustment for those measures under the terms and conditions of this contracet, the equitable adjustment shall be determined pursuant to the procedures of the Changes clausee of this contract; provided, that no adjustment shall be made under this Safety and Health clause clause for any change for which an equitable adjustment is expressly provided under any other clause of the contract.
- (dd) The Contracting Officer may notify the Contractor in writing of any noncompliance with this clause and specify corrective actions to be taken. The Contractor shall promptly take and report any necessary corrective action. The Government may pursue appropriate remedies in the event event the contractor fails to promptly take the necessary corrective action.
- (ee) The Contractor (or subcontractor or supplier) shall insert the substance of this clause, including including this paragraph (e) and any applicable Schedule provisions, with appropriate changes of designations designations of the parties, in subcontracts of every tier that exceed the micro-purchase threshold.

#### (End of clause)

### 1852.223-73 Safety and Health Plan.

As prescribed in 1823.7001(c), insert the following provision:

### SAFETY AND HEALTH PLAN (MAY 20012001)

The offeror shall submit a detailed safety and occupational health plan as part of its proposal

(see NPG 8715.3, NASA Safety Manual, Appendix H). The plan must include a detailed discussion of the policies, procedures, and techniques that will be used to ensure the safety and occupational health of contractor employees and to ensure the safety of all working conditions throughout the performance of the contract. The plan must similarly address safety and occupational health for subcontractor employees for any proposed subcontract whose value is expected to exceed \$500,000, including commercial services and services provided in support of a commercial item. Also Also, when applicable, the plan must address the policies, procedures, and techniques that will be used to ensure the safety and occupational health of: (1) the public, (2) astronauts and pilotspilots, (3) the NASA workforce (including other contractor employees working on NASA contracts), and and (4) high-value equipment and property. This plan, as approved by the Contracting Officer, will be included in any resulting contract.

(End of provision)

## ALTERNATE ALTERNATE I (MAY MAY 2001)

In Invitations for Bids, delete the first <u>sentence</u> of the basic provision and substitute the <u>followingfollowing</u>:

The <u>The apparently</u> successful offeror shall submit a detailed safety and occupational health plan (<u>see see NPG 8715.3</u>, NASA Safety Manual, Appendix H) after notification of selection but <u>before</u> before award.

### 1852.223-74 Drug- and alcohol-free workforce.

As prescribed in 1823.570-3, insert the following clause:

## DRUG- AND ALCOHOL-FREE WORKFORCE (MARCH 1996)

- (a) **Definitions.** As used in this clause the terms "employee," "controlled substance," "employee in a sensitive position," and "use, in violation of applicable law or Federal regulation, of alcohol" are as defined in 48 CFR 1823.570-2.
- (b)(1) The Contractor shall institute and maintain a program for achieving a drug-and alcohol-free workforce. As a minimum, the program shall provide for preemployment, reasonable suspicion, random, post-accident, and periodic recurring (follow-up) testing of contractor employees in sensitive positions for use, in violation of applicable law or Federal regulation, of alcohol or a controlled substance. The Contractor may establish its testing or rehabilitation program in cooperation with other contractors or organizations.
- (2) This clause neither prohibits nor requires the Contractor to test employees in a foreign country. If the Contractor chooses to conduct such testing, this clause does not authorize the Contractor to violate foreign law in conducting such testing.
- (3) The Contractor's program shall test for the use of marijuana and cocaine. The Contractor's program may test for the use of other controlled substances.
- (4) The Contractor's program shall conform to the "Mandatory Guidelines for Federal Workplace Drug Testing Programs" published by the Department of Health and Human Services (59 FR 29908, June 9, 1994) and the procedures in 49 CFR part 40, "Procedures for Transportation Workplace Drug Testing Programs," in which references to "DOT" shall be read as "NASA", and the split sample method of collection shall be used.
- (c)(1) The Contractor's program shall provide, where appropriate, for the suspension, disqualification, or dismissal of any employee in a sensitive position in any instance where a test conducted and confirmed under the Contractor's program indicates that such individual has used, in violation of applicable law or Federal regulation, alcohol or a controlled substance.

- (2) The Contractor's program shall further prohibit any such individual from working in a sensitive position on a NASA contract, unless such individual has completed a program of rehabilitation described in paragraph (d) of this clause.
- (3) The Contractor's program shall further prohibit any such individual from working in any sensitive position on a NASA contract if the individual is determined under the Contractor's program to have used, in violation of applicable law or Federal regulation, alcohol or a controlled substance and the individual meets any of the following criteria:
- (i) The individual had undertaken or completed a rehabilitation program described in paragraph (d) of this clause prior to such use;
- (ii) Following such determination, the individual refuses to undertake such a rehabilitation program;
- (iii) Following such determination, the individual fails to complete such a rehabilitation program; or
  - (iv) The individual used a controlled substance or alcohol while on duty.
- (d) The Contractor shall institute and maintain an appropriate rehabilitation program which shall, as a minimum, provide for the identification and opportunity for treatment of employees whose duties include responsibility for safety-sensitive, security, or National security functions who are in need of assistance in resolving problems with the use of alcohol or controlled substances.
- (e) The requirements of this clause shall take precedence over any state or local Government laws, rules, regulations, ordinances, standards, or orders that are inconsistent with the requirements of this clause.
- (f) For any collective bargaining agreement, the Contractor will negotiate the terms of its program with employee representatives, as appropriate, under labor relations laws or negotiated agreements. Such negotiation, however, cannot change the requirements of this clause. Employees covered under collective bargaining agreements will not be subject to the requirements of this clause until those agreements have been modified, as necessary; provided, however, that if one year after commencement of negotiation the parties have failed to reach agreement, an impasse will be determined to have been reached and the Contractor will unilaterally implement the requirements of this clause.
- (g) The Contractor shall insert a clause containing all the terms of this clause, including this paragraph (g), in all subcontracts in which work is performed by an employee in a sensitive position, except subcontracts for commercial items (see FAR parts 2 and 12).

### 1852.223-75 Major Breach of Safety or Security.

As prescribed in 1823.7001(d), insert the following clause:

# MAJOR BREACH OF SAFETY OR SECURITY (MAY 20012001)

\_ (a) Safety is the freedom from those conditions that can cause death, injury, occupational illness, damage to or loss of equipment or property, or damage to the environment. Safety is essential to NASA and is a material part of this contract. NASA's safety priority is to protect: (1) the public; (2) astronauts and pilots; (3) the NASA workforce (including contractor employees working on NASA contracts); and (4) high-value equipment and property. -A major breach of safety may constitute a breach of contract that entitles the Government to exercise any of its rights and remedies applicable to material parts of this contract, including termination for

default. A major breach of safety must be related directly to the work on the contract. NASA's safety priority is to protect: (1) the public; (2) astronauts and pilots; (3) the NASA workforce (including contractor employees working on NASA contracts); and (4) high value equipment and property. A major breach of safety is an act or omission of the Contractor that consists of an accident, incident, or exposure resulting in a fatality or mission failure; or in damage to equipment or property equal to or greater than \$1 million; or in any "willful" or "repeat" violation cited by the Occupational Health and Safety Administration (OSHA) or by a state agency operating under an OSHA approved plan.

- (b) Security is the condition of safeguarding against espionage, sabotage, crime (including computer crime), or attack. A major breach of security may constitute a breach of contract that entitles the Government to exercise any of its rights and remedies applicable to material parts of this contract, including termination for default. A major breach of security may occur on or off Government installations, but must be related directly to the work on the contract. A major breach of security may arise from any of the following: compromise of classified information; illegal technology transfer; workplace violence resulting in criminal conviction; sabotage; compromise or denial of information technology services; damage or loss greater than \$250,000 to the Government; or theft.
- (c) In the event of a major breach of safety or security, the Contractor shall report the breach to the Contracting Officer. If directed by the Contracting Officer, the Contractor shall conduct its own investigation and report the results to the Government. The Contractor shall cooperate with the Government investigation, if conducted.

(End of clause)

### 1852.225-8 Duty-Free Entry of Space Articles.

As prescribed in 1825.1101(e), add the following paragraph (k) to the basic clause at FAR 52.225-8:

(k) The following supplies will be given duty-free entry: [Insert the supplies that are to be accorded duty-free entry.]

(End of addition)

#### **1852.225-70 Export Licenses.**

As prescribed in 1825.1103-70(b), insert the following clause:

## EXPORT LICENSES (FEBRUARY 2000)

- (a) The Contractor shall comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799, in the performance of this contract. In the absence of available license exemptions/exceptions, the Contractor shall be responsible for obtaining the appropriate licenses or other approvals, if required, for exports of hardware, technical data, and software, or for the provision of technical assistance.
- (b) The Contractor shall be responsible for obtaining export licenses, if required, before utilizing foreign persons in the performance of this contract, including instances where the work is to be performed on-site at [insert name of NASA installation], where the foreign person will have access to export-controlled technical data or software.
- (c) The Contractor shall be responsible for all regulatory record keeping requirements associated with the use of licenses and license exemptions/exceptions.
- (d) The Contractor shall be responsible for ensuring that the provisions of this clause apply to its subcontractors.

## ALTERNATE I (FEBRUARY 2000)

As prescribed in 1825.1103-70(b), add the following paragraph (e) as Alternate I to the clause: (e) The Contractor may request, in writing, that the Contracting Officer authorize it to export ITAR-controlled technical data (including software) pursuant to the exemption at 22 CFR 125.4(b)(3). The Contracting Officer or designated representative may authorize or direct the use of the exemption where the data does not disclose details of the design, development, production, or manufacture of any defense article.